

## RESERVES

<b>General Fund Reserves (\$000's)</b>	
<b>Total Reserves</b>	<b>40,078</b>
1/12th Operating Reserve	33,457
Quarter Cent -- Centralized Processing	1,500
IRB Settlement	1,546
Tricentennial	600
Nuisance Abatement Properties	975
Special Reserve	2,000

The General Fund is required to maintain an operating reserve equal to one-twelfth of the total appropriation level as a matter of City policy. This standard is more conservative than the State's standard as it includes transfers and non-recurring appropriations, but does not include other reserves. The budget contains \$40 million in total reserves. The operating reserve is set at \$33.5 million in accordance with City policy. The \$1.5 million from Public Safety Quarter Cent Tax revenues is reserved pending a plan for centralized processing of arrestees, which must be developed in cooperation with the Albuquerque Bernalillo County Government Commission. The \$1.5 million IRB settlement reserve was established in FY/04 when a large manufacturer closed an IRB financed facility and

was required to remit a "clawback" to the City. The City recovered \$14.8 million and distributed \$12.6 million to other taxing entities including the state, county, school district, university hospital, ABEC and others. \$700 thousand of the IRB settlement reserve is designated for the Tricentennial celebration as it is a major tourism and economic development opportunity for Albuquerque. Of the total \$700 thousand appropriated for the Tricentennial, \$600 thousand is reserved. \$975 thousand is left unappropriated to acquire two major nuisance properties, one of which has been purchased. A special reserve was established in the committee substitute for R-04-62 to provide a contingency for additional expenses in FY/06.